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Carbon Footprint Labeling For Food No Priority for German Industry

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Report Highlights:

In Germany, product carbon footprint (PCF) labeling for food is embedded in the overall discussion about climate change and sustainable production. Germany's food processors, retailers, and manufacturing industry do not see any need for a mandatory PCF labeling system. Although these groups understand the need to reduce greenhouse gas emissions, their research indicates that supplying PCF information does not provide any benefits to the consumer. In addition, it does not generate sufficient advantages for the environment.

Despite skepticism and opposition voiced by Germany's food industry and retailers, the Federal Office

for the Environment (UBA) and the Federal Ministry for the Environment (BMU) are currently developing a pilot project to devise PCF labeling guidelines.

General Information:

The information provided in this report is the result of a series of meetings that officials from the U.S. Department of Commerce, U.S. Department of Agriculture, and the U.S. Embassy in Berlin held with German industry associations on the margins of the 2nd PCF World Summit in Berlin in September 2009.

German Food Processing Industry

According to the German Food Processing Industry Association (BVE), an extensive 2-year, industry-led research study found that supplying product carbon footprint (PCF) information on food product labels does not benefit consumers and does not generate sufficient advantages for the environment. According to the BVE, its members believe the proposed labeling system contradicts the initial intent of the PCF scheme, which was to provide product sustainability information to the consumer. In particular, BVE claims that the proposed labeling system exclusively focuses on the greenhouse gas emissions associated with producing a product without providing sustainability information such as water use, noise levels, biodiversity, animal welfare, child labor, energy and economic efficiency, etc. BVE insists that regardless of the outcome, even voluntary PCF labeling should only be displayed after the industry develops a uniform standard for measuring greenhouse gas emission during the products lifecycle. Otherwise, the measure will only confuse consumers.

BVE considers the work on developing a uniform standard for calculating carbon footprint is in its early stages. It expects that national and international working groups, such as the International Standards Organization (ISO) and the World Resources Institute (WRI) will provide options for standardized PCF calculation methods by the end of 2011. BVE is very hesitant to support a numerical scale for PCF since this would imply a certain level of scientific justification that they feel in reality does not exist. If the industry is forced by public or political interest groups to develop a PCF label, however, its members would prefer a more generic type of declaration without using numbers. BVE argues that it would be particularly complicated to develop a PCF label for processed food products since their composition can change frequently. Furthermore, the cost of determining the actual greenhouse gas emission levels of these products would be exorbitantly high.

Another factor for BVE's opposition to PCF labeling is its financial costs. BVE claims that the majority of the German food processing industry consists of relatively small to mid-sized companies without the financial means to fulfill the complex task of maintaining an accurate calculation system for the entire PCF process. In addition to the financial burden, the food processing industry argues its contribution to greenhouse gas emissions is marginal. According the German Federal Ministry of Agriculture, only five percent of the embodied greenhouse gas emissions of food products calculated over their complete lifecycle is generated by the processing industry; 48 percent is from the agricultural production; 32 percent is attributed to the consumer; and 15 percent to the trade sector.

German Retailers Association

The German Retailers Association (HDE) and its members support the goal of reducing CO₂ emissions. However, they oppose mandatory PCF labeling of all products because in order to make such labels reliable, it would have to include a complete life cycle analysis (LCA). Rather than a product label, HDE members prefer to communicate their efforts in reducing greenhouse emissions through public relations channels (i.e. through their annual reports).

Ten HDE members recently participated in a pilot project study on PCF (for details on the study please visit: <http://www.pcf-pilotprojekt.de//main/results/case-studies/>). The pilot project included case studies on eggs, strawberries, and coffee. The studies generally found that the contribution of transportation to the total CO₂ emissions was less than originally expected, while the contribution of consumer behavior was higher than expected. HDE members found the pilot project useful in obtaining information on how to improve production/handling processes. Nonetheless, they are still opposed to a labeling scheme that states a single CO₂ emission value. As a result, HDE suggests that product/customer information on the environment/climate friendly use of a product would render better results than a PCF label.

HDE opined that a PCF label could frustrate consumers due to the large amount of CO₂ information provided. In order to make a meaningful decision, consumers would be required to sift and compare complex data. HDE doubts that consumers will be able to generate substantive results given that there are no internationally recognized LCA standards. Furthermore, the levels of carbon footprint may vary throughout the season making it even more difficult to generate a reliable PCF measurement. This would be particularly troublesome for fresh fruits and vegetables.

HDE cautions that just looking at CO₂ emission is oversimplifying a complex matter. Reducing CO₂ emissions involves many factors that need closer scrutiny including country of origin, storage time, transportation medium, distance, etc. Reducing CO₂ emissions, HDE argues, cannot simply be achieved by focusing on environmental factors such as the elimination of chemicals or the protection of sensitive ecosystems.

Federal Association of the German Industry

Members of the non-food industry, which are represented by the Federal Association of the German Industry (BDI), oppose a mandatory PCF labeling system using a carbon emission value. They believe such a system is untenable, does not work as a meaningful indicator for consumers and is scientifically incorrect. BDI justified its position with many of the same arguments used by the organizations above (e.g. methodological difficulties, unknowns, assumptions, and changing parameters recording and measuring PCF, etc). However, BDI does support the development of a uniform calculation method to measure carbon footprints, provided it is only used on a voluntary basis. BDI is cooperating with the German Ministry of the Environment (BMU) and the Institute for Applied Ecology (Oeko-Institut) to develop guidelines for companies who would like to calculate PCF emissions for their products. These guidelines would also consider justifiable costs and international comparability. The objective of the guidelines is to enable German companies to apply some of the more theoretical methodologies used to calculate PCF. The guidelines are expected to be published by the end of 2009.

German Federal Ministry for the Environment (BMU)

Although studies reveal that approximately 30 percent of the global greenhouse gases emissions can be attributed to the food sector, predominantly to agriculture production, BMU decided not to include processed food products in its PCF methodology assessment pilot project. The main reason is that the composition of processed food products is too complicated for generating a scientifically justified method to calculate PCF emissions. Instead, BMU selected 100 different non-food consumer products for the project.